



House of Representatives

General Assembly

File No. 846

January Session, 2007

House Resolution No. 62

House of Representatives, May 16, 2007

The House Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF AN ARBITRATION
AWARD BETWEEN THE STATE OF CONNECTICUT AND THE
CONNECTICUT STATE EMPLOYEES ASSOCIATION CONCERNING
THE CORRECTION SUPERVISORS (NP-8) BARGAINING UNIT.**

Resolved by this House:

- 1 That the arbitration award between the State of Connecticut and the
- 2 Connecticut State Employees Association (NP-8) Bargaining Unit,
- 3 issued by the arbitrator April 20, 2007, and submitted to this assembly
- 4 for approval April 30, 2007, as provided in subsection (b) of section 5-
- 5 278 of the general statutes, is approved.

APP *House Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$	FY 08 \$ Annualized
Department of Correction	All Funds - Cost	887,891	2,317,295	2,489,767
	GF - Cost	878,848	2,293,694	2,464,410

Note: GF=General Fund

Municipal Impact: None

Explanation

This arbitration award for the Correction Supervisors' (NP-8) bargaining unit is submitted for approval for the three-year period October 17, 2005 through June 30, 2008. This award adds Captains and Counselor Supervisors in the Department of Correction to the bargaining unit. Costs shown above are for the 220 All Funds employees added to this bargaining unit, of which 218 are General Fund employees. Cost details are attached.

The General Wage Increases and Annual Increments associated with this arbitration award are in line with increases in negotiated agreements and arbitrated awards for most other bargaining units for the same time period. However, this award also provides overtime payments, night and weekend differentials, and an additional 3% step, which result in costs that are higher than the "pattern."

Because this is a relatively small bargaining unit, and it has settled before several larger units, it is anticipated that the Appropriations Committee Budget for the 2007-2009 Biennium (sHB 7077) includes funding in the Reserve for Salary Adjustments account to cover the FY 07 and FY 08 costs of this agreement. However, if other bargaining units settle on wage increases higher than the "pattern" that has been

established, it is unlikely that the Reserve for Salary Adjustments account will be able to fully fund such costs.

Cost Estimate of Award

All Funds

Correction Supervisors' (NP-8) Bargaining Unit

Agency Affected: Department of Correction

Term of Contract: Three years, October 17, 2005 through June 30, 2008

Number of Employees Affected by Contract:

218	General Fund
<u>2</u>	Other Funds
220	All Funds

Average Full-Time Salary Data:

Percent Increase (Cash Basis)

	Salary	Total	General Wage Increase	Annual Increments	Other Increases
Prior to Contract	\$75,851				
1st Year of Contract (FY 06)	75,851	0.00%	0.00%	0.00%	0.00%
2nd Year of Contract (FY 07)[1]	79,453	4.75%	2.63%	1.21%	0.91%
3rd Year of Contract (FY 08)	83,179	4.69%	2.64%	2.02%	0.03%

Percent Increase (Annualized Basis)

	Salary	Total	General Wage Increase	Annual Increments	Other Increases
Prior to Contract	\$75,851				
1st Year of Contract (FY 06)	75,851	0.00%	0.00%	0.00%	0.00%
2nd Year of Contract (FY 07)[1]	80,241	5.79%	2.85%	1.99%	0.95%
3rd Year of Contract (FY 08)	84,799	5.68%	2.86%	2.79%	0.03%

[1] The percentages depicted here do not account for the addition of cash payment for overtime, which will add an additional 1.94% estimated annualized increase to the ongoing costs.

Cost Summary Data (Estimated):

	Prior to Contract	At End of Contract Annualized	Percent Increase (3 years)
Salaries[1]	\$ 16,687,275	\$ 18,655,692	11.8%
Fringe Benefits[2]			
Current Items	\$ 5,282,174	\$ 5,617,199	
Arbitrated Improvements	-	-	
Total Fringe Benefits	\$ 5,282,174	\$ 5,617,199	6.3%
Total	\$ 21,969,449	\$ 24,272,891	10.5%

3.38% average per year (compounded)

[1] Salaries include base salary, longevity payments, lump-sum payments for employees at maximum, and meal reimbursements.

[2] Fringe Benefits include Social Security, normal cost of pension contributions, health insurance, and life insurance.

Detail of Cost Estimates

All Funds

Contract Items	FY 06	FY 07 [1]	FY 08 [1]	FY 08 Annualized [1]
First Year (FY 06)				
No Wage Increases	\$ -	\$ -	\$ -	\$ -
Total First Year	\$ -	\$ -	\$ -	\$ -
Second Year (FY 07)				
3% General Wage Increase Effective 7/7/06 (24 pay periods)		\$ 439,026	\$ 475,611	\$ 475,611
Annual Increments, Delayed Six Months, and 3% Increase to Maximums[2]		202,668	329,700	331,600
Increase Meal Reimbursements from \$6 to \$8		70,896	73,732	73,732
Establish \$0.80/hour Night Shift Differential		80,000	83,200	83,200
Establish \$0.55/hour Weekend Differential		1,523	1,584	1,584
Total Second Year		\$ 794,113	\$ 963,827	\$ 965,727
Third Year (FY 08)				
3% General Wage Increase Effective 7/6/07 (24 pay periods)			\$ 465,763	\$ 504,576
Annual Increments, Delayed Three Months, and Impact on Lump Sum Payments to Employees at Maximum[3]			357,127	492,770
Increase Night Shift Differential from \$0.80/hour to \$0.85/hour			4,800	5,200
Increase Weekend Differential from \$0.55/hour to \$0.60/hour			133	144
Total Third Year			\$ 827,822	\$ 1,002,690
Total Contract Items	\$ -	\$ 794,113	\$ 1,791,650	\$ 1,968,417
Addition of Overtime[4]	-	12,375	340,979	344,419
Social Security Costs	-	61,696	163,146	176,932
Total Cost of Contract	\$ -	\$ 868,184	\$ 2,295,775	\$ 2,489,767
Estimated General Fund Costs	\$ -	\$ 859,342	\$ 2,272,393	\$ 2,464,410

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls.

[2] This represents the increased cost due to annual increments plus the net cost of increasing the maximum rate as compared to the cost of lump-sum bonuses for employees at maximum paid out in FY 06.

[3] Includes the impact of annual increments received because of raising the maximum beyond the General Wage Increase in FY 07.

[4] Assuming that the award goes into effect one month following its authorization, and accounting for the two-week holdback, paid overtime will only apply to one pay period in the remainder of FY 07.

Notes:

1. Employees appointed to the position of Captain or Counselor Supervisor following the adoption of this agreement who were not bargaining unit members prior to 12/3/01 will be placed on a new longevity schedule more similar to the existing NP-8 schedule, which will result in some future cost savings.
2. Captains and Counselor Supervisors will also be eligible for on-call and callback pay under the NP-8 contract. The cost of this added benefit cannot be determined at this time.
3. Effective 9/1/07, Captains and Counselor Supervisors shall be eligible for one-time payments of \$500 for earning a Bachelor's Degree. The state does not know how many employees will be impacted.
4. If the payment for the pay period of 6/3/10 - 6/16/10 is posted on the last day of the fiscal year instead of 7/1/10, there will be an additional cash cost in FY 11 equal to 1/26th of the FY 11 annualized cost of base pay increases.

OFA Bill Analysis**HR 62**

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SUMMARY:

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Appropriations Committee

House Favorable

Yea 29 Nay 2 (05/09/2007)